

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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| In re | Chapter 11 |
| FTX TRADING LTD., <i>et al.</i> , ¹ | Case No. 22-11068 (JTD) |
| Debtors. | (Jointly Administered) |
| | Re: Docket No. 197 |
| In re | Chapter 15 |
| FTX DIGITAL MARKETS LTD., ² | Case No. 22-11217 (JTD) |
| Debtor in a Foreign Proceeding. | Re: Docket No. 27 |

**MOTION OF THE JOINT PROVISIONAL LIQUIDATORS OF FTX DIGITAL
MARKETS LTD. FOR ENTRY OF AN ORDER SHORTENING
THE NOTICE AND OBJECTION PERIODS WITH RESPECT TO THE
EMERGENCY MOTION OF THE JOINT PROVISIONAL LIQUIDATORS OF
FTX DIGITAL MARKETS LTD. (I) FOR RELIEF FROM AUTOMATIC STAY
AND (II) TO COMPEL TURNOVER OF ELECTRONIC RECORDS
UNDER SECTIONS 542, 1519(A)(3), 1521(A)(7)
AND 1522 OF THE BANKRUPTCY CODE**

Brian C. Simms KC, Kevin G. Cambridge, and Peter Greaves (the “**Joint Provisional Liquidators**”), in their capacity as the duly appointed joint provisional liquidators of FTX Digital Markets Ltd. (“**FTX Digital**”) and foreign representatives of the Bahamian Provisional

¹ The last four digits of FTX Trading Ltd.’s and Alameda Research LLC’s tax identification number are 3288 and 4063 respectively. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the debtors (the “**U.S. Debtors**”) and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the U.S. Debtors’ claims and noticing agent at <https://cases.ra.kroll.com/FTX>.

² FTX Digital Markets Ltd. (in Provisional Liquidation) was incorporated in the Commonwealth of The Bahamas as an International Business Company, registered number 207269B.

Liquidation (as defined below) of FTX Digital hereby file this motion (this “**Motion to Shorten**”) and respectfully state as follows:

RELIEF REQUESTED

1. By this Motion to Shorten, pursuant to section 105(a) of title 11 of the United States Code (the “**Bankruptcy Code**”), rule 9006(d) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and rules 9006-1(c) and 9006-1(e) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), the Joint Provisional Liquidators request entry of an order, substantially in the form attached hereto as **Exhibit A** (the “**Proposed Order**”) (i) shortening the notice and objection periods with respect to the *Emergency Motion of the Joint Provisional Liquidators of FTX Digital Markets Ltd. (I) for Relief from Automatic Stay and (II) to Compel Turnover of Electronic Records Under Sections 542, 1519(a)(3), 1521(a)(7) and 1522 of the Bankruptcy Code* (the “**Emergency Motion**”)³ filed contemporaneously herewith, (ii) scheduling the hearing to consider the relief requested by the Emergency Motion (the “**Hearing**”) at the Court’s earliest convenience on or before December 16, 2022 at 10:00 a.m. (Eastern Time), and (iii) waiving the requirements of Local Rule 9006-1(c)(ii) and setting the deadline to file objections, if any, to the Emergency Motion as 12:00 p.m. (Eastern Time) one day prior to the Hearing.

JURISDICTION, VENUE AND PREDICATES FOR RELIEF

2. This Court has jurisdiction to consider this Motion to Shorten and the relief requested herein under 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012. This is a core proceeding under 28 U.S.C. § 157(b) as to which this Court has the power to enter a final

³ Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Emergency Motion.

judgment. Pursuant to Local Rule 9013-1(f), the Joint Provisional Liquidators consent to the entry of a final order by the Court in connection with this Motion to the extent it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

3. Venue of these Chapter 11 Cases and this Motion to Shorten is proper in this District under 28 U.S.C. §§ 1408 and 1409.

4. The predicates for the relief requested by this Motion to Shorten are section 105(a) of the Bankruptcy Code, Bankruptcy Rule 9006(d), and Local Rules 9006-1(c) and 9006-1(e).

BACKGROUND

5. FTX Digital is an International Business Company incorporated in the Commonwealth of The Bahamas and operating as a digital assets business under the Digital Assets and Registered Exchanges Act, 2020 as amended, Statute Laws of The Bahamas.

6. On November 10, 2022, the Securities Commission of The Bahamas filed a petition in the Supreme Court of the Bahamas (the “**Bahamas Court**”) seeking to wind up FTX Digital.

7. On the same date, the Bahamas Court issued an order (the “**Provisional Liquidation Order**”) directing that FTX Digital be placed into provisional liquidation (the “**Bahamian Provisional Liquidation**”) and appointing Brian C. Simms KC as provisional liquidator. On November 14, 2022, the Bahamian Court enter an order appointing Kevin G. Cambridge and Peter Greaves as Joint Provisional Liquidators, along with Brian C. Simms KC.

8. On November 11, 2022 (the “**Petition Date**”), FTX Trading Ltd. and 101 other affiliates and subsidiaries which comprise the U.S. Debtors, filed petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “**Court**”), which are jointly administered in the above-captioned case.

9. On November 15, 2022, the Joint Provisional Liquidators filed a petition for recognition of a foreign proceeding under chapter 15 in the United States Bankruptcy Court for the Southern District of New York (the “**Chapter 15 Case**”). On November 28, this Court entered an agreed order to transfer venue of the Chapter 15 Case to this Court. *See In re FTX Digital Markets Ltd.*, No. 22-11217 (JTD) (Bankr. D. Del.) [Docket No. 131].

10. As described more fully in the Emergency Motion, access to the electronic records and other recorded information relating to FTX Digital’s property and financial affairs (the “**Recorded Information**”) is in the control of the U.S. Debtors. Prior to the Petition Date, FTX Digital’s access to the systems hosting the Recorded Information was abruptly cut off. As such, the Joint Provisional Liquidators have been unable to access the Recorded Information, notwithstanding their requests to counsel for the U.S. Debtors that access be restored.

11. The Joint Provisional Liquidators urgently need to access the Recorded Information to carry out their fundamental and essential obligations to identify all the FTX Digital’s assets and potential claims and maintain value for all FTX Digital’s creditors. Without access to this information, the Joint Provisional Liquidators will be unable to perform their court-mandated duties, which presents the risk that the Joint Provisional Liquidators will be unable to identify, locate, and protect assets at risk of dissipation. Moreover, unless the Joint Provisional Liquidators are able to secure access to the Recorded Information, there is a risk that critical information will be automatically deleted and forever lost.

12. Accordingly, by the Emergency Motion the Joint Provisional Liquidators seek entry of an order (i) providing limited relief from the automatic stay and (ii) requiring the U.S. Debtors to provide the Joint Provisional Liquidators with access to the Recorded Information. Because of the risk that FTX Digital’s assets will be dissipated and critical information will be

automatically deleted and irretrievably lost, the Joint Provisional Liquidators seek the Court's consideration of the Emergency Motion on an expedited basis.

BASIS FOR RELIEF

13. Local Rule 9006-1(c)(i) provides that, unless the Bankruptcy Rules or the Local Rules state otherwise, "all motion papers shall be filed and served . . . at least fourteen (14) days prior to the hearing date." Del. Bankr. L.R. 9006-1(c)(i). Local Rule 9006-1(c)(ii) further provides that the deadline for objections shall be seven days before the hearing date. Del. Bankr. L.R. 9006-1(c)(ii). Local Rule 9006-1(e) provides, in pertinent part, that "[n]o motion will be scheduled on less notice than required by these Local Rules or the Fed. R. Bankr. P. except by Order of the Court, on written motion . . . specifying the exigencies justifying shortened notice." Del. Bankr. L.R. 9006-1(e).

14. The Joint Provisional Liquidators submit that good cause exists for the relief requested herein. As noted above and described more fully in the Emergency Motion, the Joint Provisional Liquidators have asked counsel for the U.S. Debtors for access to and cooperation with sharing the Recorded Information. These requests have been denied, frustrating the ability of the Joint Provisional Liquidators to carry out their duties under Bahamian law and creating the risk that the Joint Provisional Liquidators will be unable to identify, locate, and protect assets at risk of dissipation. Further, there is an additional risk that critical information will be automatically purged and forever lost. Thus, the Joint Provisional Liquidators must seek, on an expedited basis, relief from the automatic stay and an order compelling the U.S. Debtors to provide access to the Recorded Information.

15. Moreover, the Joint Provisional Liquidators submit that there is no prejudice to the U.S. Debtors in granting the relief requested herein. By the Emergency Motion, the Joint

Provisional Liquidators are only requesting a limited modification of the automatic stay and an order requiring the U.S. Debtors to *share* the Recorded Information.

16. Accordingly, the Joint Provisional Liquidators respectfully submit that good cause exists pursuant to Bankruptcy Rule 9006 and Local Rule 9006-1 for the relief requested herein.

CERTIFICATION REGARDING LOCAL RULE 9006-1(e)

17. In accordance with Local Rule 9006-1(e), prior to filing this Motion to Shorten, counsel to the Joint Provisional Liquidators notified counsel to the U.S. Debtors and the Office of the United States Trustee (the “**U.S. Trustee**”) regarding the relief requested herein. Counsel to the U.S. Debtors has informed counsel to the Joint Provisional Liquidators that the U.S. Debtors oppose the relief requested herein. As of the filing of this Motion to Shorten, the U.S. Trustee has not informed counsel to the Joint Provisional Liquidators of its position on the relief requested herein.

NOTICE

18. Notice of this Motion has been provided to the following parties, or, in lieu thereof, their counsel via overnight mail and/or electronic mail: (i) the U.S. Debtors; (ii) the U.S. Trustee; and (iii) any such other party entitled to receive notice pursuant to Bankruptcy Rule 2002.

WHEREFORE, for the reasons set forth herein, the Joint Provisional Liquidators respectfully request that the Court enter the Proposed Order, granting the relief requested in this Motion to Shorten and such other and further relief as may be just and proper.

Dated: December 9, 2022

/s/ Brendan J. Schlauch

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